



Cerebra Integrated Technologies

"Focus towards High Value E – Waste Business"

Investor Presentation | February 2020

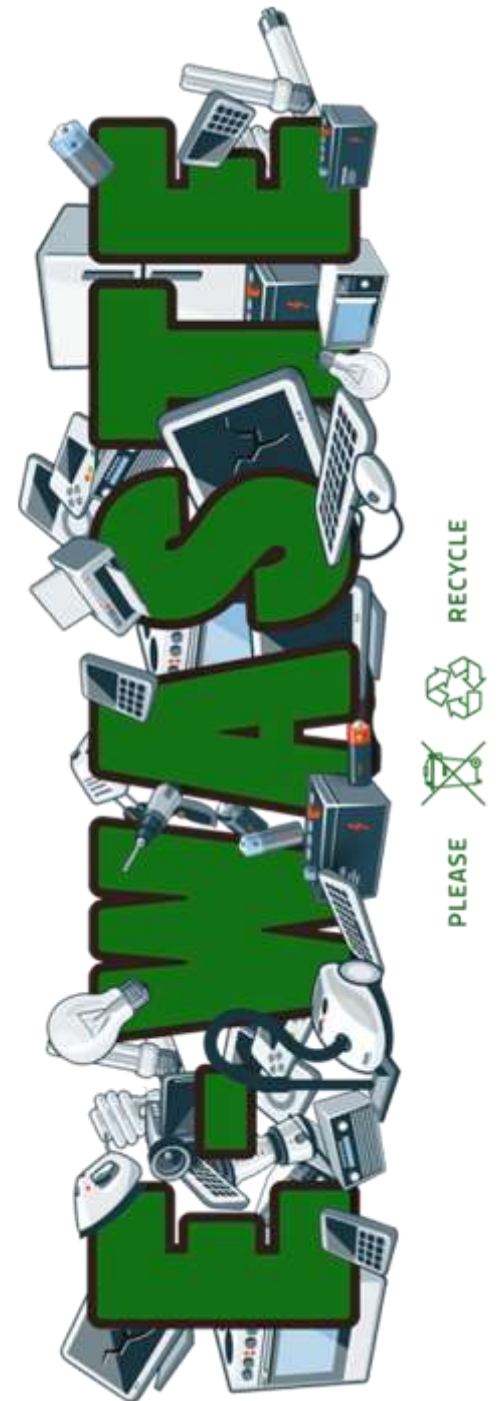
Agenda

Q3/9M FY20 Result Highlights • 01

Company Overview • 02

E-Waste Management • 03

Hardware & IT Services • 04



Q3/9M FY20 Business Highlights

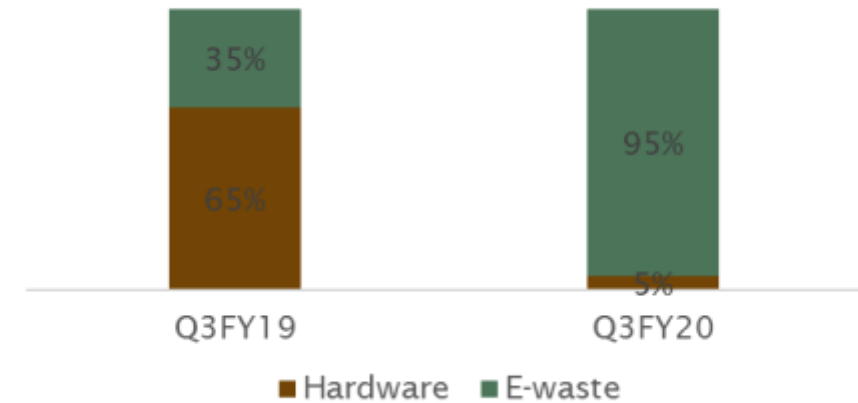
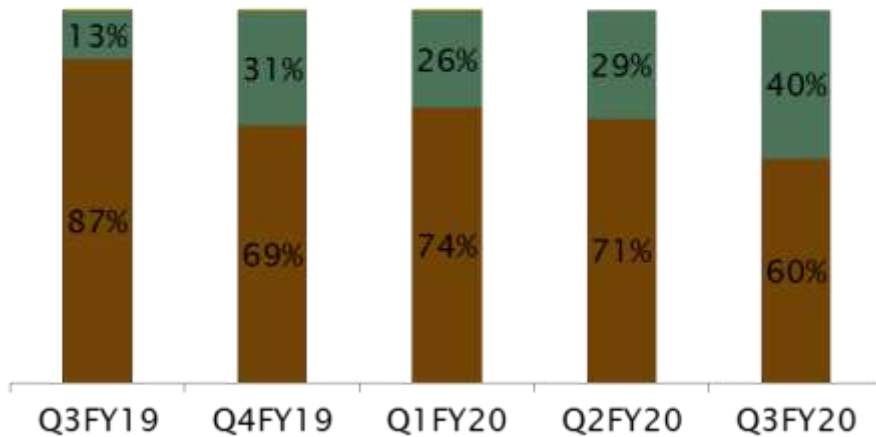
- Significant Scope of margin improvement through E-waste business
 - E-waste contributed: 40% to revenue & EBIT contribution is 95% in Q3FY20
- Proactive steps towards building E-waste Retail Business
 - YTD 32 Cerebra Experience Centers stores inaugurated across India through Franchisees to sell Refurbished products
- Consolidated hardware continues to face Macro economic challenges in Middle East
 - We believe the same will not affect annual performance
- EPR commitment of LG Electronics as it's EPR client for the FY 2019-20

Shifting Focus towards High Value Business

“Increasing E-waste contribution to drive the EBITDA’s way forwards”

Trend of Change in Revenue Mix

% Segmental EBIT contribution to Total EBIT (YoY)



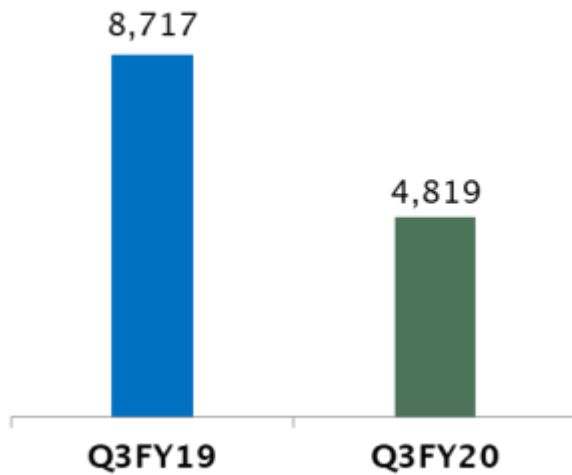
- Hardware + Trading of Refurbished
- E-waste Powdering & Refining
- IT Services



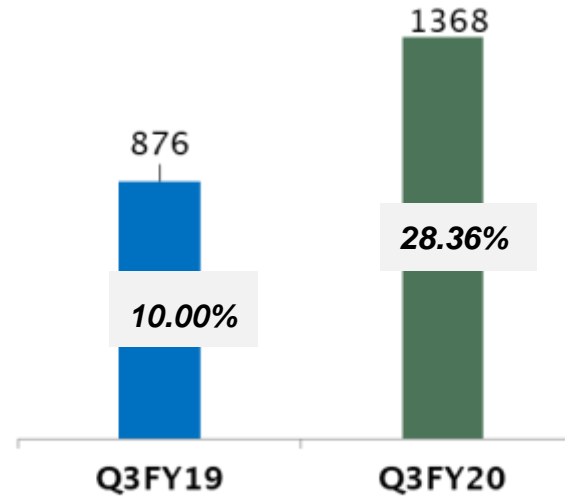
Financial Highlights

Financial Highlights – Q3FY20 (Consolidated)

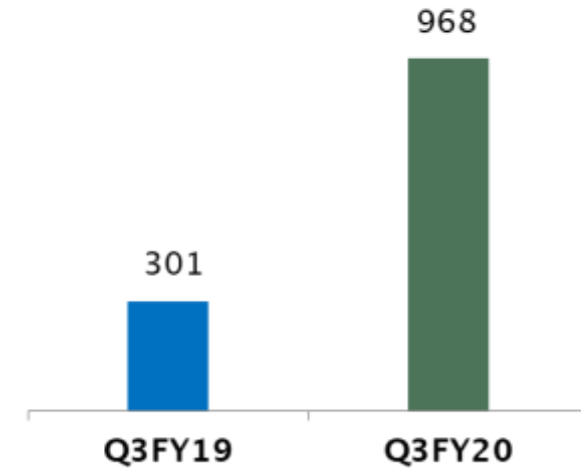
Revenue (Rs. Lakhs)



EBITDA (Rs. Lakhs)



PAT (Rs. Lakhs)



Consolidated
Figures have been regrouped or rearranged , wherever necessary

Profitability Highlights – Q3/9M FY20 (Consolidated)

Rs. In Lakhs	Q3 FY20	Q3FY19	Q2 FY20	9MFY20	9MFY19	FY19
Revenue from Operations	4,819	8,717	5,375	14,220	30,712	38,523
Raw Material	2,923	7,509	3,813	9,545	26,454	31,025
Employee Cost	377	216	293	976	678	903
Other costs	152	116	240	431	582	2399
EBITDA	1,368	876	1,029	3,269	2,998	4,196
EBITDA Margin (%)	28.38%	10.05%	19.15%	22.99%	9.76%	10.89%
Other Income	2	-366	175	189	704	582
Depreciation	8	8	8	24	25	38
Interest	98	111	71	266	196	376
Exceptional items	0	-	0	0	-	2385
Profit Before tax	1,263	390	1,126	3,168	3,481	1,980
Tax	295	89	232	682	909	1400
Effective Tax rate	23%	23%	21%	22%	26%	71%
Profit After Tax	968	301	893	2,486	2,572	581
PAT Margin	20.08%	3.45%	16.62%	17.48%	8.37%	1.51%
EPS	0.63	0.25	0.72	1.99	2.13	0.36

EBITDA Margin has improved on account of increased E-waste business share

Balance Sheet Highlights – (Consolidated)

Rs. Lakhs	Sep-19	Mar-19
Shareholder's Funds	29,269	27,441
Share capital	12,120	12,120
Other Equity	17,150	15,321
Non-current liabilities	239	102
Borrowings	189	64
Other Financial Liabilities	-	-
Long-Term Provisions	50	37
Current liabilities	20,465	19,016
Borrowings	863	301
Trade Payables	16,794	16,386
Other Financial liabilities	379	330
Other Current Liabilities	454	384
Short-term provisions	3	40
Current Tax Liabilities (Net)	1,971	1,575
Total Equities & Liabilities	49,973	46,559

Rs. Lakhs	Sep-19	Mar-19
Non-current assets	9,412	3,787
Property Plant & Equipment	869	866
CWIP	6,292	29
Intangible Asset	10	10
Goodwill	-	-
Other Financial Assets	20	18
Investment	20	20
Long-term Loans & Advances	76	209
Deferred Tax Assets	107	107
Other Non-Current Assets	2,018	2,528
Current assets	40,561	42,772
Inventories	745	385
Financial Assets		
Cash & Cash equivalents	990	7017
Bank Balances	585	639
Trade receivables	36744	33888
Short-term loans & Advances	162	144
Other Current Assets	1336	698
Total Assets	49,973	46,559



E-Waste – Cerebra 2.0

E-Waste Generation – Tsunami of E-Waste

01

G l o b a l

- Globally, estimated 50 million tonne of E-Waste to be generated in 2018
- Out of which only 20% of E-Waste recycled each year
- Rest either gets land filled, burned or illegally traded and treated in a sub-standard way

02

D o m e s t i c

- India is amongst the top 5 E-Waste generating countries in the world
- Expected to generate 3 million metric tonnes of E-Waste in 2018
- Only about 5% of E-Waste gets recycled

03

O p p o r t u n i t y

- By 2020, India will consume \$400 Bn worth of Electronic goods
- Computer equipment account for 70%, telecom equipment-phones 12%, electrical equipment 8% & medical equipment 7% with remaining from household

04

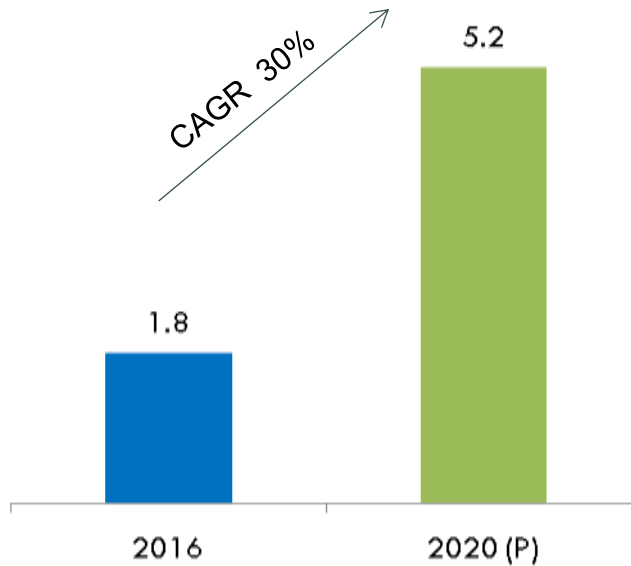
E P R R e g u l a t i o n

- Extended Producer Responsibility (EPR) mandated producers to register and have specified targets to collect back E-Waste generated
- In March 2018, targets reduced to 10% for 2016-17 & progressively goes up to 70% in the 7th year

India's E-Waste Potential – A Large Opportunity

India is fifth largest electronic waste generator in the World

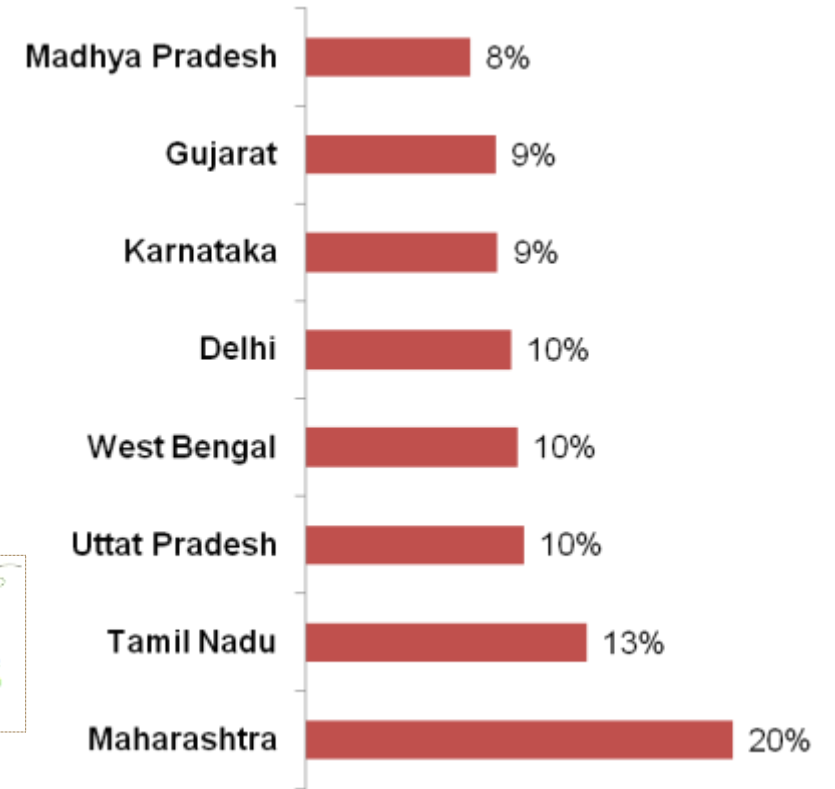
Generation of E-Waste in India (Million Metric Tonnes) p.a



Source: ASSOCHAM-cKinetics study (June 2018)

Every person responsible for generating 6kg of E-waste annually

State wise E-Waste generation



Source: ASSOCHAM-NEC (June 2018)



Current E-Waste Recycling in India

Current Scenario of E-Waste treatment in India



Currently ~ **99%** of E-Waste market in India is **un-organised**
Only 0.4 Mn Tonnes of E-waste is recycled

Cerebra's way for E-Waste treatment



Pioneers in organised E-Waste recycling player

Current Hazardous E-Waste recycling practices in India [Video Link](#)

E-Waste

- One of India's largest integrated E-Waste recycling facility at Narsapura, spread across 12 acres of land with built up area of more than 40,000 sq. ft.
- Capacity of 96,000 Tons per annum; obtained necessary consent from Karnataka State Pollution Control Board
- Recycling & Refurbishment is progressing well
- Agreements with many customers including MNC's across India for collecting E-Waste
- Precious Metals refining plant to be set up soon
- Collection centers at Ahmedabad, Chennai, Hyderabad, Mumbai, Nashik, New Delhi, Pune, Surat, Vadodara, Vijayawada and Vishakapatnam
- **Awarded IMS Certificate ISO9001:2015, ISO 14001:2015, ISO 18001:2007 and RESPONSIBLE RECYCLING©:2013**
- ✓ **Scope:** E-waste Collection, Dismantling, Segregation, Recycling, Refurbishing & Data Protection activities of Waste Electrical & Electronic Equipment



What we offer



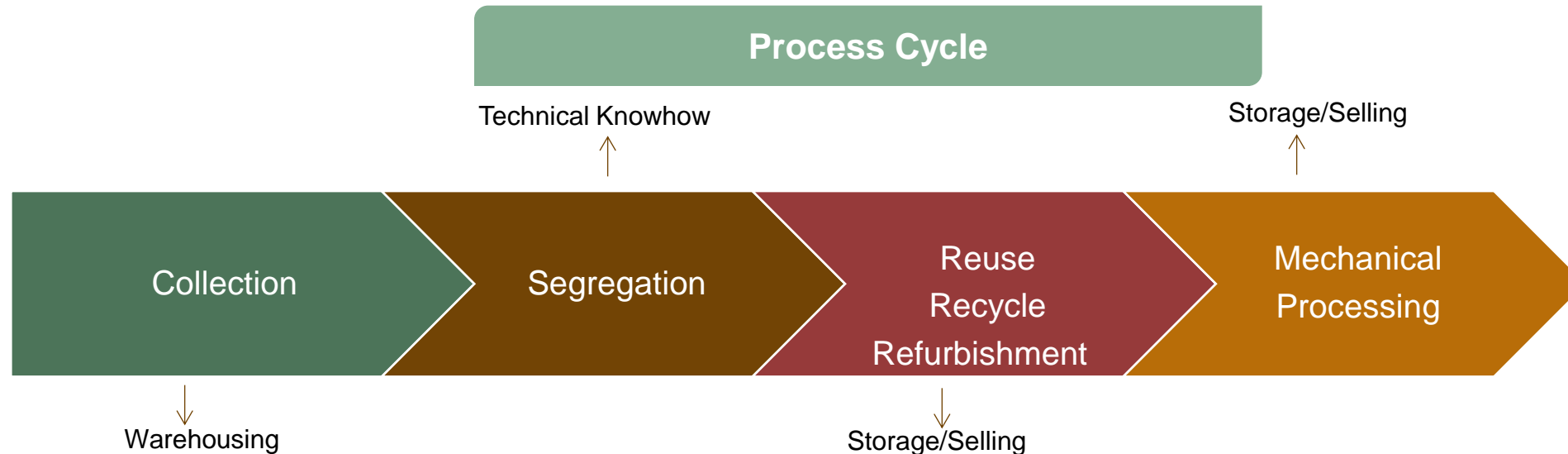
Components: Offline/Online



Products: Offline/Online



Recovery of materials: Precious/
Non Precious/Plastic/Glass
Downstream Network





Our Key Offerings for E-Waste

Repair, Refurbishment and Reuse of all electronic and electrical equipments

Salvaging of components and **Selling** it back to the manufacturer's concerned

Fully integrated **E-Waste Management** and Base-metal Recycling

PGM **Recovery** and its **Refining** processes

Waste Management at **Source**

Total support in **Scrap Handling, Collection, Transport, Documentation, Shipping** and other related areas

100% recycling of all collected E-Waste, with zero use of landfills

Integrated **EHS System** (ISO & OHSAS Standard)

Web-based **Trading, Services & Accessibility**

Logistics and **Warehousing** Facilities present worldwide

Providing **Technical Advice** on Plant Layout

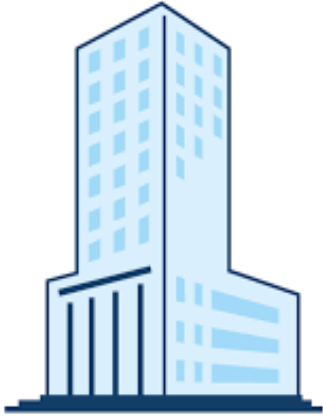
Commissioning of **Day-to-Day** operations

Training of technical personnel

Providing **Market** Support

Sources of E-waste collection

Corporate



- Bulk Consumers
- Producers
- Refurbishment Outsourcing
- PROs

Own Collection Network



- Employees
- Channel partners
- Customer Experience Stores

Informal Sector



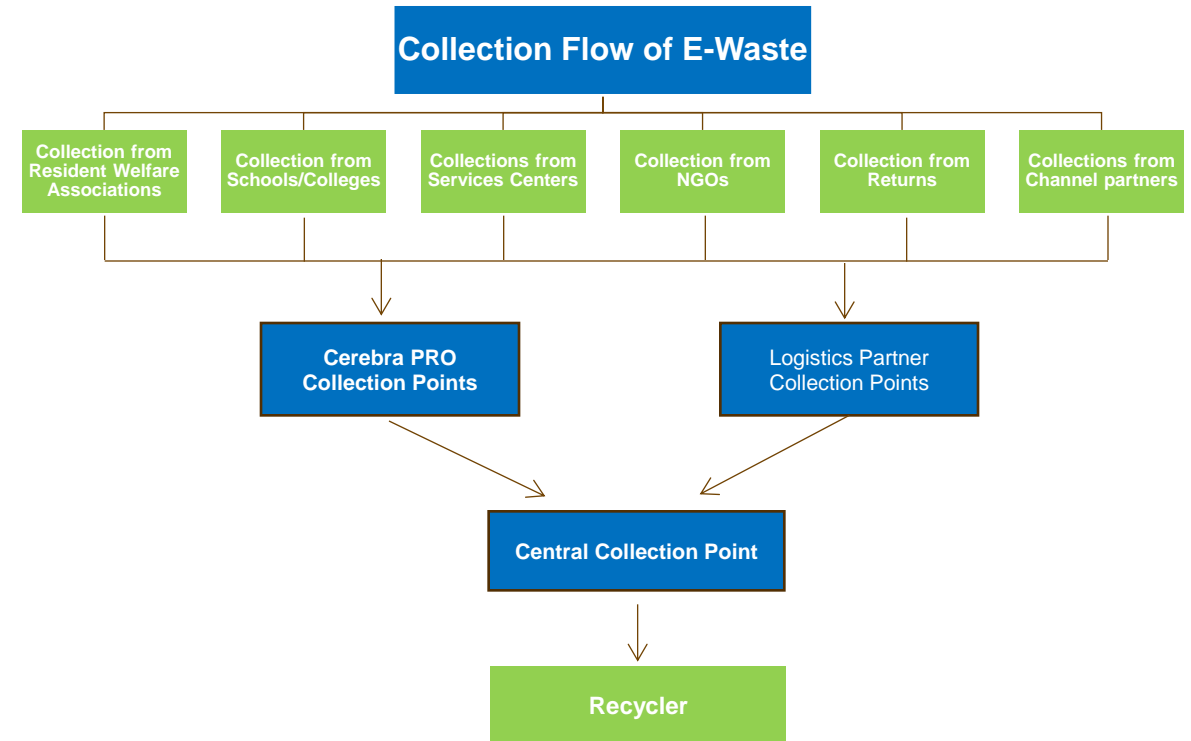
- Kabadiwalas

Large Base for E-Waste Collection



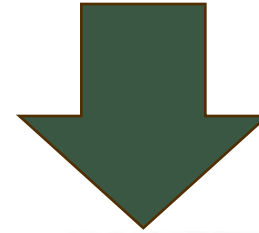
Producer Responsibility Organization (PRO)

- Successfully registered as Producer Responsibility Organization (PRO) under E-Waste Management Rules, 2016
- Signed definitive agreement with Samsung as its Client for their Extended Producers Responsibility (EPR) commitments
- **Responsibilities of PRO:**
 - ✓ Collection and channelization of e-waste generated from the 'end-of-life' products
 - ✓ Mechanism used for channelization of e-waste as per EPR guidelines
 - ✓ Pre-treatment necessary before disposing in Treatment, Storage and Disposal Facility
 - ✓ Creating awareness through media, publications, advertisements, posters, etc
 - ✓ Maintaining records of the e-waste handled and make such records available for scrutiny by the Central Pollution Control Board



Brownfield expansion into Recycling White Goods

- Commenced construction of 2nd factory building measuring 50,000 sqft
 - ✓ State of the art
 - ✓ Fully automated and Ultra modern
 - ✓ Pollution free
- Capable of handling all white goods including refrigerators, washing machines, air-conditioners
- Under the EPR rules every manufacturer has to collect a certain percentage of E-Waste and handover to a licensed recycler
- Established own collection centers for collection of E-Waste and appointed around 3000 third party collection centers across the country
- Coming out with a app and website where in consumers can log in, upload photos of the refrigerator or washing machine or any other equipments and can be valued it online
- Customers will be able to log in and see how many tons are collected on their behalf to fulfill their EPR targets



Foray into Retailing of Refurbished Electronics



Indian refurbished market will exceeds USD 20 billion in the next 6 years



Market will witness a strong growth rate of 9.8% from 2018 to 2026



Organized player has less than 1% market share



Refurbished IT goods are 30-40% of the price of a new product

Endeavour to start chain of
~100+
stores across India



Company opened Stores at Bangalore, Hyderabad, Yamunanagr & Muzaffarnagar with their Franchisee Partners

Various Awareness Campaigns Across Country



Chennai



Pune



Bangalore



Mumbai

Backed by Experienced Team



Mr. V. Ranganathan

MD

Electrical & Electronics Engineer, ~29 years of experience in manufacturing & trading of computers and electronic products. Leading the marketing initiatives at Cerebra



Mr. Asit Ahuja

CEO, Cerebra ME

Founder Director Cerebra Middle East FZCO. Responsible for day to day operations



Mr. Shridhar S Hegde

ED & CFO

Law graduate, ~ 35 years of experience in industry. Responsible for the entire financial aspects of Company



Mr. Phalguna Jois

CEO, ES Division

~25+ extensive experience in manufacturing, IT distribution and business development. Instrumental in building team & strategic alliances



Mr. P. Bharath

COO

Civil Engineer, Responsible for setting up the factory at Peenya. Leading production activities at SMT Division, EMS Division, and E-waste Recycling Plant



Mr. Ravi Neeladri

CEO, Recycling & Refurbishment

Mechanical Engineer, ~25+ years experience in industry. Responsible for managing E-waste division



Mr. P. Vishwamurthy

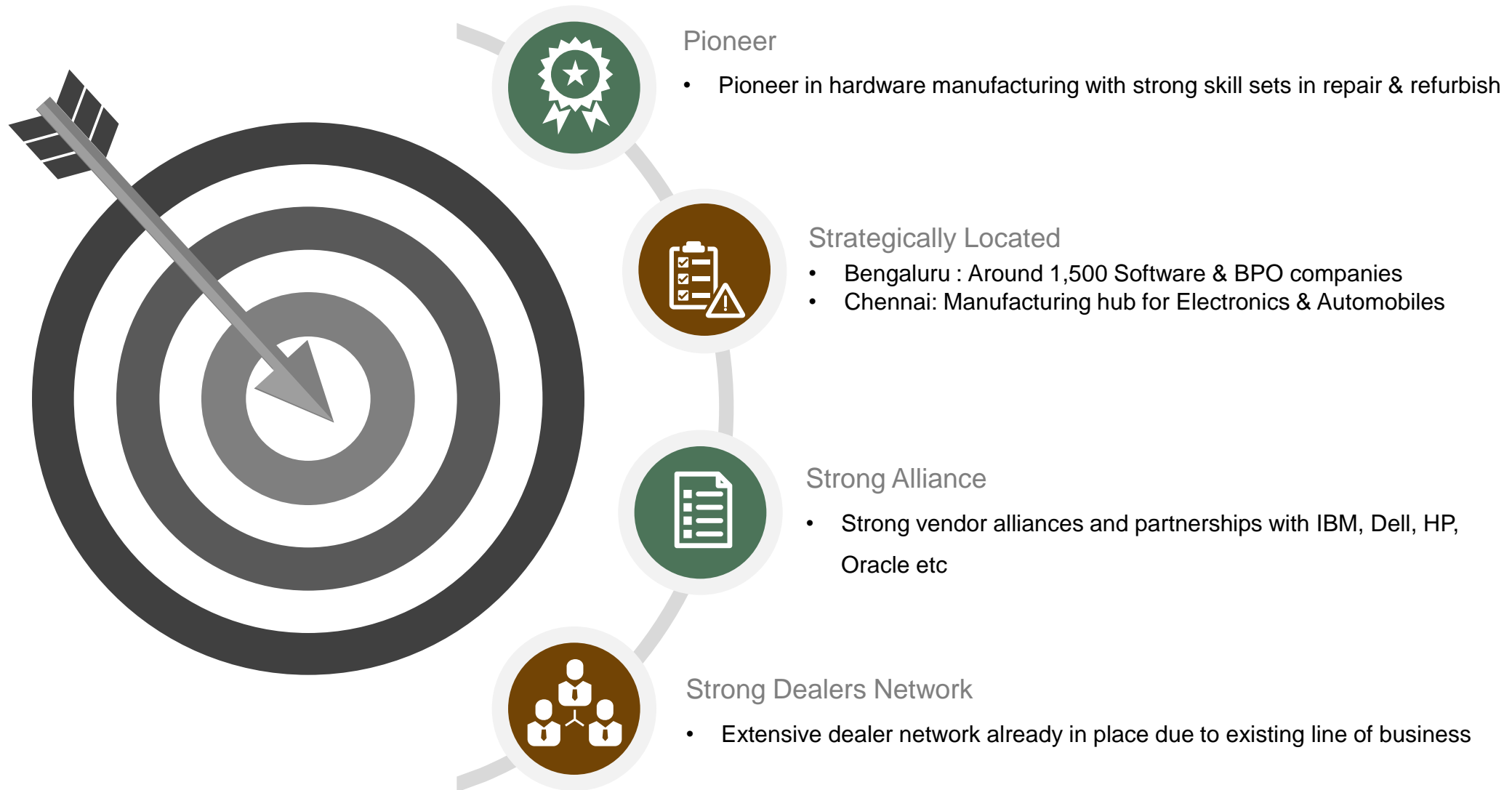
ED

Mechanical Engineer, ~ 26 years of experience in industry. Resource management, client relationships and engagements

The image features a large, light gray diamond shape in the center. This diamond is surrounded by a thick, dark green border that follows its outline. In the top-left corner, there is a small brown diamond. In the bottom-left corner, there is a small green diamond. The background is white with several thin, light gray lines extending diagonally from the corners. A horizontal green bar with white text is positioned across the middle of the image.

Hardware & IT Services – Solid Foundation

Advantage CEREBRA





Leading hardware manufacturing company ...

- Design & manufacture motherboards, memory modules, servers, workstations etc
- Commenced operations in 1992 in Bangalore
- Manufacturing facility in Peenya, Bangalore
- Reputed diversified clientele across industry
- Nationwide presence with over 100 channel partners for distribution



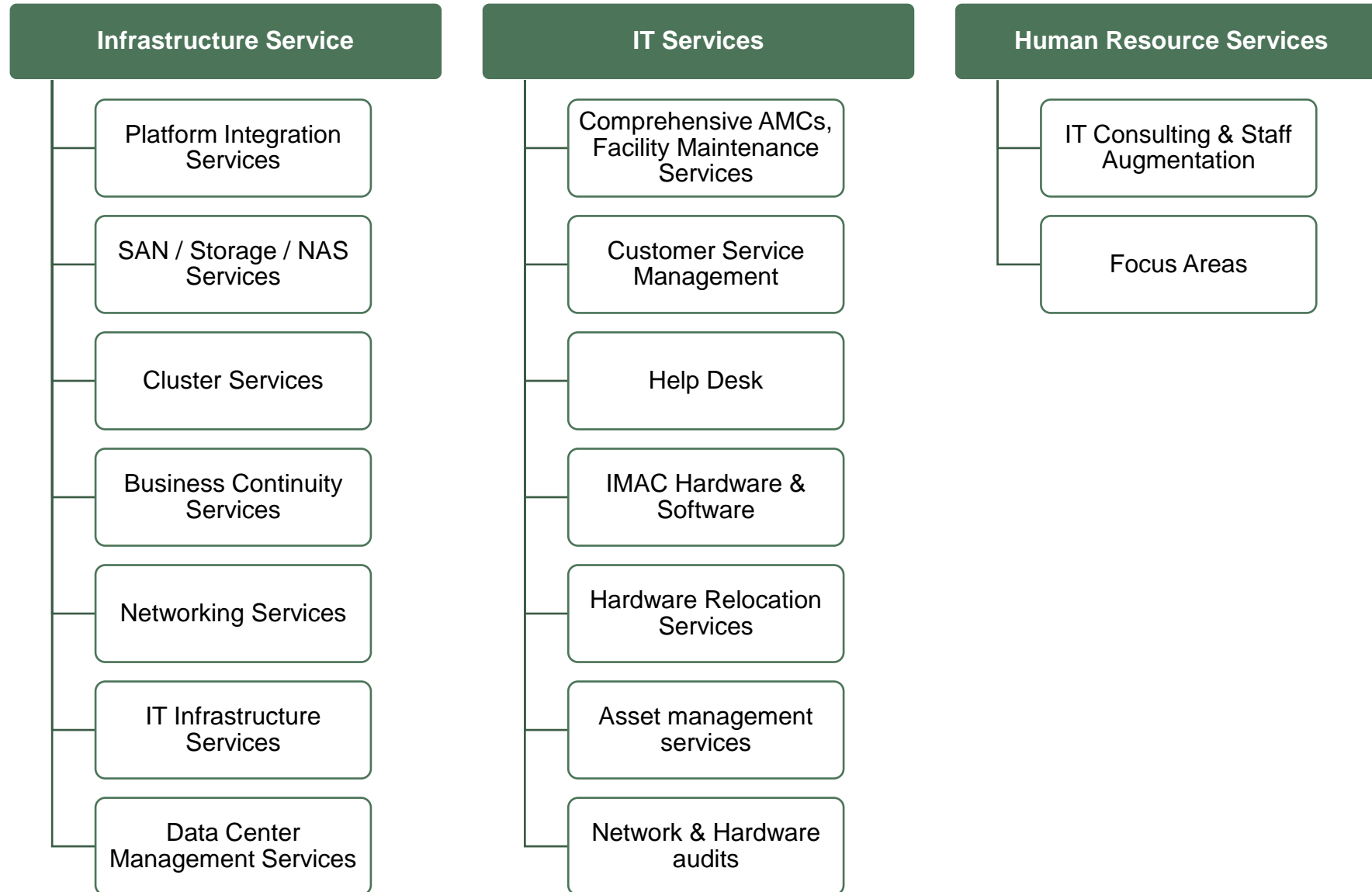
... Niche expertise in IT Services in India & Middle East

- Offer business process outsourcing solutions by leveraging process, domain and people management expertise
- Expertise in Banking, Insurance, Finance & Accounting, HR Services, Healthcare and Legal Services
- Cerebra Middle East: Niche IT Distribution house offering Data Centre, Security Surveillance and IT Infrastructure management solutions to the Middle East

Hardware Space in India

	Electronic Manufacturing Service (EMS)	Enterprise Solutions Division (ESD) & Infrastructure Management
Key Offering	Manufactures populated PCBs such as motherboards, memory modules, graphic cards	Networking, servers, storage, endpoints, operating systems, application software
Capacity	Handles - 14000 / 28000 CPH	Skilled manpower to provide solutions
Projects/Services by Cerebra	Providing Hardware Solutions & IT Services	Automated Driving Test System (ADTS) from Transport department
		Personalised Security Surveillance services (value added distributor for UAE region)
		Personalised storage servers

IT Services – Expansive Portfolio in India



Niche IT Distribution house offering Data Centre & IT Infrastructure management solutions

Service Offerings

Security Surveillance Solutions

CCTV

Storage

VMS

Access Control

NVR

Video Walls

Information & Communication Technology

Data Centre Solutions

Disaster Recovery

Business Continuity

Enterprise Mobility

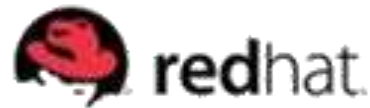
Data Protection

Storage Virtualization

Cloud Solutions

E-Waste Recycling

Strategic Alliances – Major Global Brands



Servicing prestigious clients across industry segments

Banks



PSUs



Govt. Agencies



Other Major Clients





ISO 14001: 2015
Certified by IRQS



NABCB
EM 005



ISO 9001:2015
Certified by IRQS



NABCB
QM 006



NABCB
OHSMS 007

Let's Connect



“Responsibility towards safety of
our environment”

For more information visit:
www.cerebracomputers.com



Mr. P. Vishwamurthy
vishwa@cerebracomputers.com
S5 Off 3rd Cross 1st Stage Peenya
Industrial Area Bangalore – 560 058



Mr. Abhishek Bhatt / Ms Sheetal Keswani
abhishek@stellar-ir.com / sheetal@stellar-ir.com
Kanakia Wall Street, Andheri (East), Mumbai 400 065